LuxembourgforFinance

Relying on Expertise, Building on Innovation




# Activity Report

## Luxembourg for Finance 2015

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**Pierre Gramegna**,
Luxembourg Minister of Finance

# MESSAGE FROM THE PRESIDENT

**2015 was, in many respects, a remarkable year for the European financial sector in general and the Luxembourg financial centre in particular.**

Luxembourg took over the EU Presidency during challenging times for Europe and the Eurozone. While some had seen the integrity of the Euro put into question by the situation in Greece, they were proven otherwise. Solidarity prevailed ; the Eurozone has shown its resilience.

The Luxembourg Presidency was able to make significant progress towards the completion of the Banking Union and the rolling out of a roadmap for the Capital Markets Union. In particular, agreements could be struck on new rules on securitisations, as well as on benchmarks. Further, the Juncker Plan was kick started and now enters into its operational phase, boosting investment in Europe.

2015 also saw a new dynamic in international tax matters. Automatic Exchange of Information under the Savings Directive entered into force on January 1, 2015. Under the leadership of the Luxembourg Presidency, an agreement could be reached in record time on the Directive on the automatic exchange of information on tax rulings. In doing so, Europe has anticipated the implementation of the relevant BEPS actions, which were adopted in October 2015 by the OCDE/G20 Finance ministers. While the EU and others can be trailblazers, Luxembourg insists that the new BEPS rules will have to be applied by all countries, in the spirit of a global level playing field.

Luxembourg's commitment to tax transparency was further underlined in October 2015 when the OECD Global Forum on Tax Transparency and Exchange of Information deemed Luxembourg "largely compliant", thus granting it the same rating as the UK, the US or Germany for example and providing a major boost for Luxembourg's reputation in the world.

Being a reliable international partner is not only at the heart of Luxembourg's role in the political sphere, but also a key feature of the country's financial centre. Thanks to its unique cross-border expertise, the Luxembourg financial centre has developed over many decades into a recognised hub for international investors and financial institutions seeking to develop their business in the EU.

In 2015, assets under management in our financial sector's main pillar, the investment fund industry, reached an all-time high of 3.6 trillion euros, confirming Luxembourg's status as the world's second largest investment fund centre. At the end of the year, I have submitted to Parliament a draft law relating to a new Luxembourg alternative fund structure, the Reserved Alternative Investment Fund (RAIF), which will provide an additional alternative investment fund regime and thus contribute to the diversification and further growth of the industry.

As for the other pillars, it is to be noted that private banking has adjusted well to the new global context, attracting new types of clients and adapting its offer accordingly. Assets under management have continued to rise in 2015. The evolution was equally positive in the insurance sector. Also, the Luxembourg Stock exchange successfully continued to develop its activities as the world's leading bond listing place.

Developments in another specific field, international renminbi business, accelerated as well. In April, Luxembourg was granted a 50bn RMB RQFII quota, which rapidly started being used in November already by Chinese banks in Luxembourg. The latter continue to play an important role in our financial center's international renminbi business, with now six Chinese banks operating from Luxembourg as their continental hub and entry gate into the European Union. The relationships with China were further strengthened by Luxembourg becoming the first non-regional prospective founding member of the Asian Infrastructure Investment Bank (AIIB), a project actively supported by our government.

Luxembourg's success as an international financial centre does not mean that one can become complacent. All the actors need to work together to ensure that Luxembourg remains a first mover and stays on the cutting edge of innovation.

One of my personal priorities since I took office two years ago has been the development of Luxembourg into a major hub for financial technology (FinTech). With the outcome of the HCPF working group on Fintech that I had asked Luxembourg for Finance to lead, the groundwork has been laid in 2015. The coming months and years will be crucial to ensure that Luxembourg can successfully contribute to the digital transformation of financial services that is currently underway on a global scale. Concrete measures such as the establishment of the House of Fintech, one of the key recommendations issued by the Fintech working group, will be a key element to reach this objective.



**Nicolas Mackel**,
CEO, Luxembourg for Finance

# FOREWORD OF THE CEO

The past year has been busy as ever. One of the fascinating features of our jobs at Luxembourg for Finance is the diversity of issues that we get to deal with. One however stood out last year, the acceleration of the digitalisation of financial services and the role financial technology is going to play in this industry. In the framework of the Government's Digital Luxembourg initiative, the Ministry of Finance mandated LFF to facilitate a working group on FinTech with practitioners from the finance and IT sector. The aim of the working group was to identify the needs of the industry and what should be done to enhance the ecosystem in Luxembourg. A report was produced highlighting measures to take in order to develop the FinTech sphere in Luxembourg. Our shareholders also decided to strengthen LFF's activities in these areas, leading also to the addition of two FinTech Advisor positions. While following global trends, the two will help define and implement LFF's FinTech strategy and advise on how to integrate the topic into LFF's overall communication and events.

FinTech events indeed mushroom all over the world. Within a strategic partnership with Innotribe, Swift's innovation arm, LFF represented the Luxembourg ecosystem at FinTech conferences in London, New York and at Sibos in Singapore. Needless to say that also on the communication level, efforts were undertaken to showcase Luxembourg's expertise in that domain. A video on Luxembourg's advantages as a European FinTech hub has been one of our most successful videos so far.

Videos were and will be an important communication tool when it comes to placing financial services into a broader European context. Among the numerous videos we produced to explain and showcase Luxembourg's financial industry, one needs to be mentioned in particular. "A little piece of Luxembourg everywhere" is actually a video featuring striking facts about Luxembourg's economy, other than the financial services industry.

In the same spirit, two major projects were launched, SurprisingLux and LUXFIN2020. The first focuses on the Grand Duchy's diversified economy and serves as a rich information tool for anybody wanting to go beyond the usual facts. Interesting figures and stories illustrate the impact of Luxembourg's economy. LUXFIN2020 is a 5-year vision for the financial centre and lays out the three main future ambitions of the industry: consolidate and develop Luxembourg's expertise in cross-border financial services; expand Luxembourg's role as the European location of choice for global financial services providers; foster innovation and become a leader in digital financial services.

Combined with an ambitious program of missions and events, these activities are the result of the competence and dedication of the team of great professionals I have the pleasure to lead.

# 2015 FINANCIAL CENTRE REVIEW

| | |
|---|---|
| JANUARY | ▪ Entry into force of Automatic Exchange of Information (AEI) under the EU Savings Directive in Luxembourg on 1/1/2015 |
| MARCH | ▪ Luxembourg becomes the first non-regional prospective founding member of the Asian Infrastructure Investment Bank (AIIB) |
| APRIL | ▪ People's Bank of China grants a 50bn RMB RQFII quota to Luxembourg<br>▪ The European Council adopts the European Long Term Investment Funds (ELTIFs) regulation |
| MAY | ▪ Luxembourg investment funds reach all-time high AuM of 3.6 trillion euros |
| JUNE | ▪ LFF and Toronto Financial Services Alliance (TFSA) sign a MoU to establish a partnership framework to develop their respective financial services industries<br>▪ The 2nd Luxembourg Renminbi Forum gathers high-level speakers and industry practitioners to discuss the internationalisation of the RMB in the context of China's ongoing financial reform |
| JULY | ▪ Beginning of Luxembourg EU Presidency |

## SEPTEMBER

- LFF and ALFI issue FAQ on RQFII quota
- Luxembourg ranks as 3rd most competitive EU financial centre according to the Global Financial Centre Index (GFCI 18)

## OCTOBER

- The OECD Global Forum deems Luxembourg "largely compliant" concerning exchange of information in tax matters
- The Ministry of Finance grants for the first time in Europe a payments institution license to a virtual currencies operator
- The first yuan clearing transaction through the China International Payment System (CIPS), is conducted by Standard Chartered Bank (China) from China to Luxembourg, only hours after Beijing launched the worldwide system
- Launch of the 'SurprisingLux' campaign

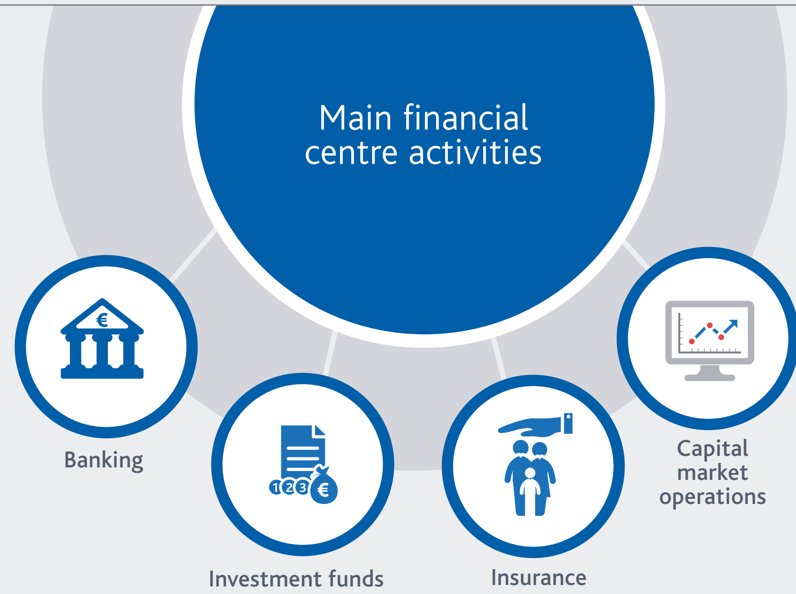
## NOVEMBER

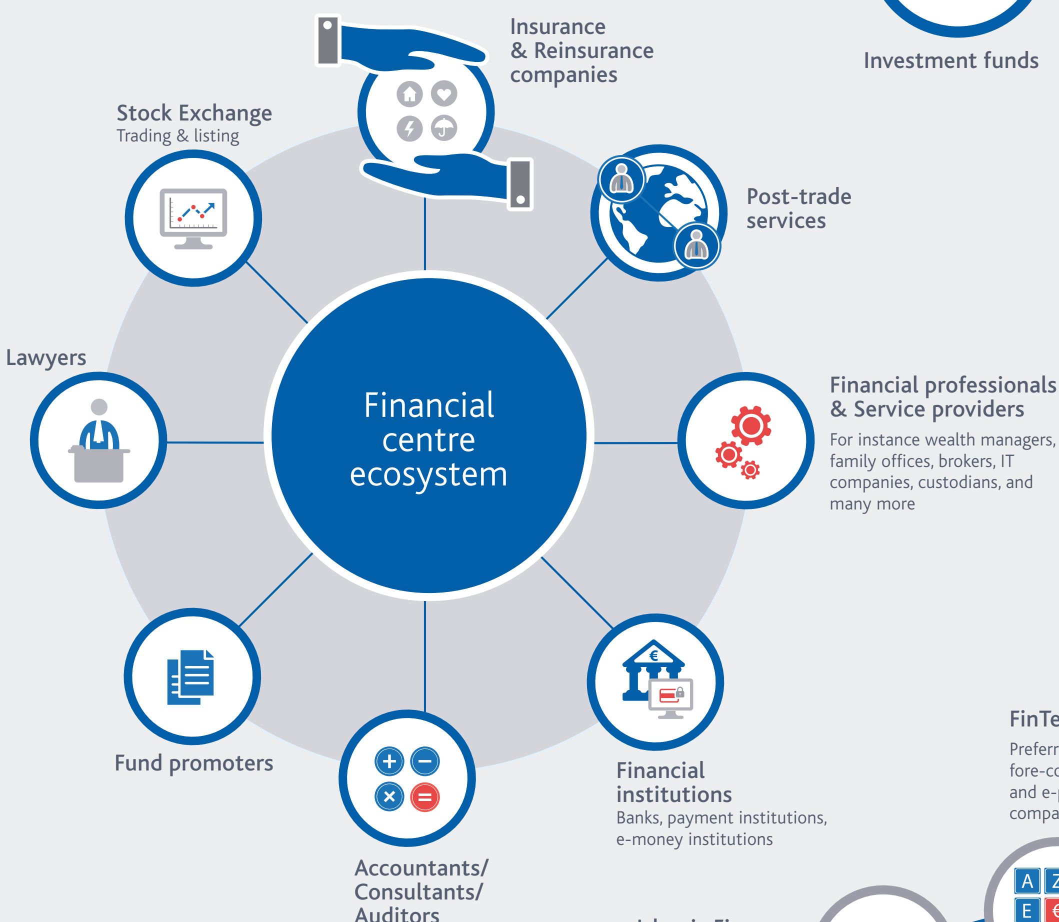
- ICBC (Europe) and Bank of China Luxembourg receive regulatory approval as Luxembourg-based Renminbi Qualified Foreign Institutional Investors (RQFII), thus becoming the first RQFII holders in Luxembourg

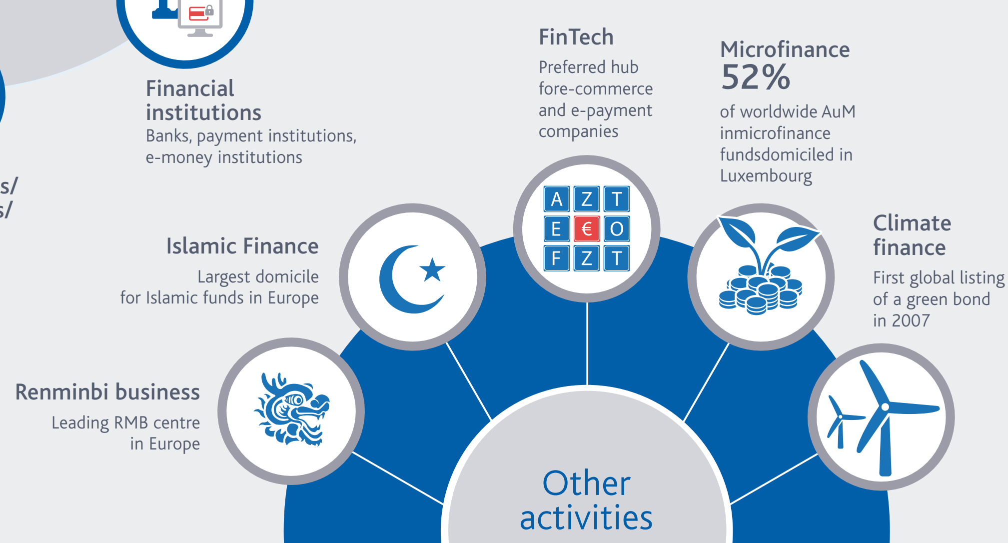
## DECEMBER

- The government tables a draft law relating to a new Luxembourg alternative fund structure, the Reserved Alternative Investment Fund (RAIF), which will provide an additional alternative investment fund regime
- Under Luxembourg Presidency EU Member States agree on the securitisation package, the first building block of the Capital Markets Union
- Launch of the financial centre vision 'LUXFIN2020'

# FINANCIAL CENTRE ACTIVITIES AND ECOSYSTEM



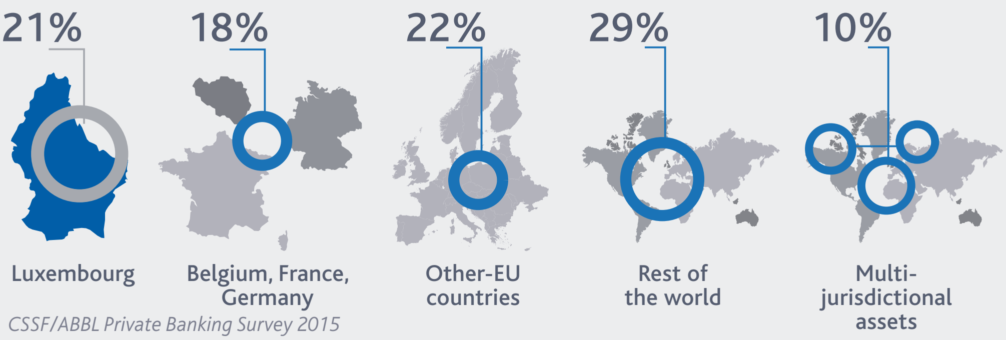



# BANKING

## GEOGRAPHIC ORIGIN OF PRIVATE BANKING CLIENTS

Geographic origin of Luxembourg Private banking clients assets (%)



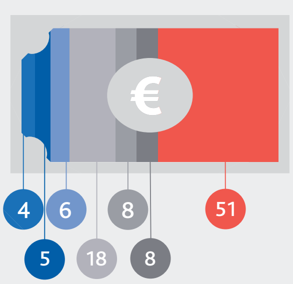

*CSSF/ABBL Private Banking Survey 2015*

## PRIVATE BANKING

Total AuM:

**318** billion EUR

Wealth bands in terms of assets (%)




- > 20 000 001 €
- 10 000 001 - 20 000 000 €
- 5 000 001 - 10 000 000 €
- 1 000 001 - 5 000 000 €
- 500 001 - 1 000 000 €
- 250 001 - 500 000 €
- 100 000 - 250 000 €

*CSSF/ABBL Private Banking Survey 2015*

## NUMBER OF BANKS AND TOTAL ASSETS

Total assets:

**757** billion EUR

**143** Banks

*CSSF, September 2015*

## LIQUIDITY RATIO

**70%**

*EU minimum: 30%*

## SOLVENCY RATIO

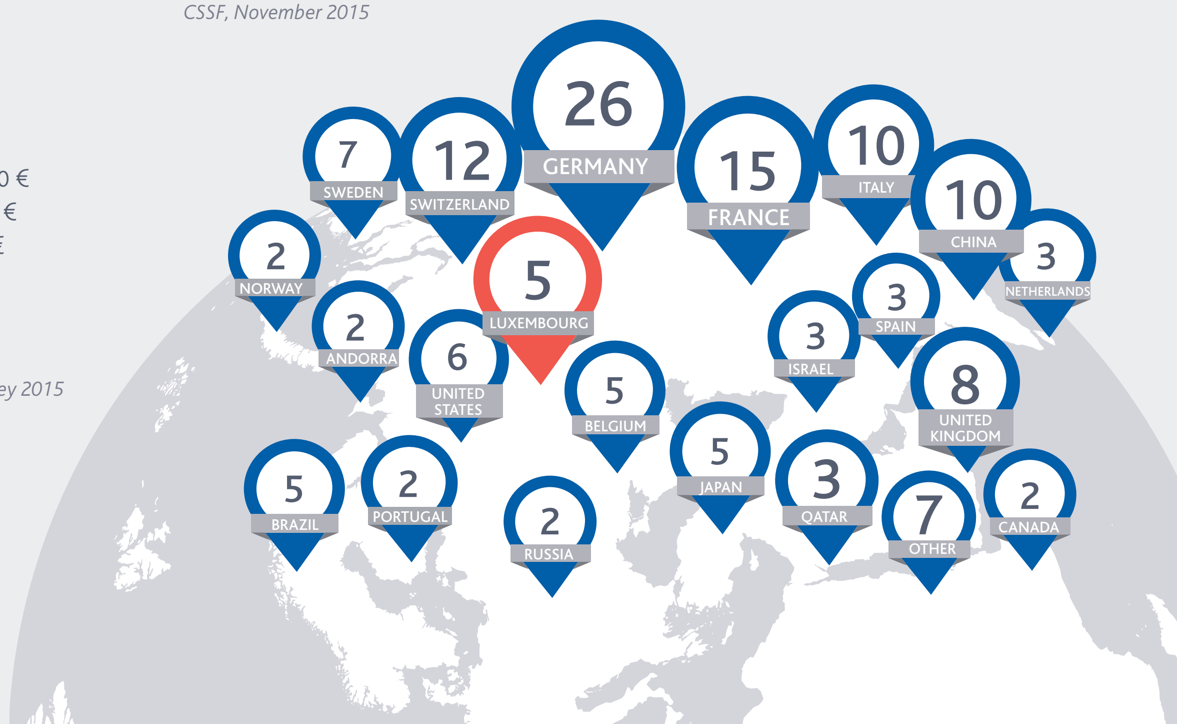
**19.6%**

*EU minimum: 8%*

*CSSF, December 2014*

## COUNTRY OF ORIGIN OF BANKS

*CSSF, November 2015*



# INVESTMENT FUNDS

**1ST**

FIRST IN CROSS-BORDER FUND DISTRIBUTION

**2nd**

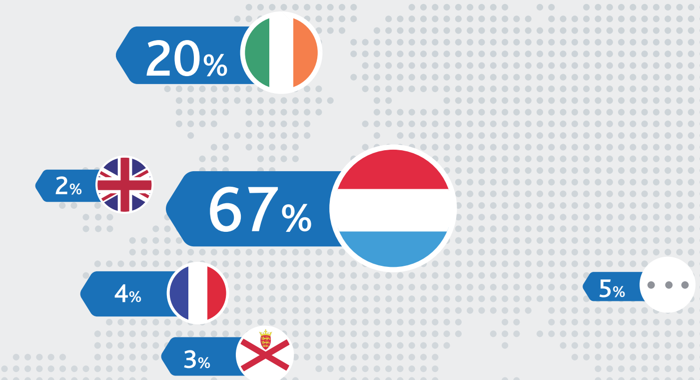
SECOND LARGEST INVESTMENT FUND CENTRE IN THE WORLD AFTER THE US

## FUNDS, FUND UNITS AND NET ASSETS

| | Number of funds | Number of Units | Net assets | |
|---|---|---|---|---|
| 2014 full year | 3,905 | 13,685 | 2,615 | billion EUR |
| 2015 full year | 3,894 | 14,089 | 3,589 | billion EUR |

*CSSF, November 2015*

## MARKET SHARES IN GLOBAL CROSS-BORDER FUND DISTRIBUTION




*Number of registrations during 2014: 83,505*
*Compound annual growth rate over 10 years: 7.9%*
*PwC Global Fund Distribution, March 2015*

## PROMOTERS OF LUXEMBOURG DOMICILED FUNDS BY COUNTRY OF ORIGIN

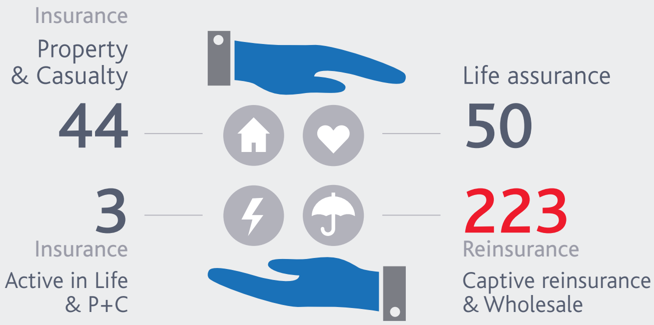



*CSSF, November 2015*

# INSURANCE

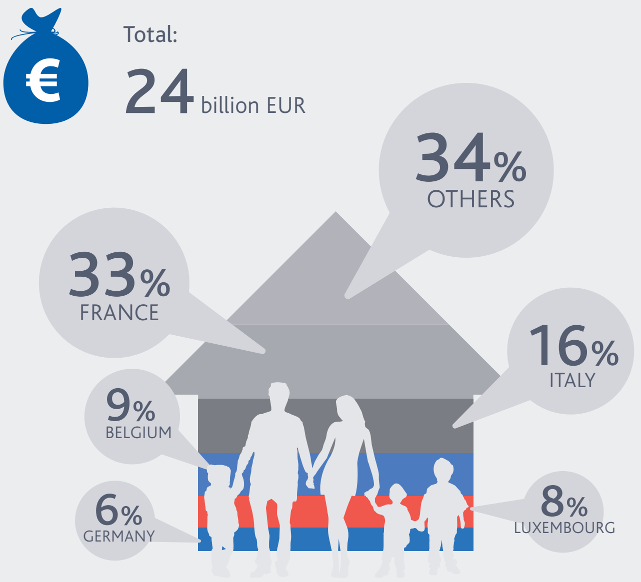
## NUMBER OF COMPANIES

*Commissariat aux Assurances (2014/15)*




## LIFE ASSURANCE

Origin of premiums

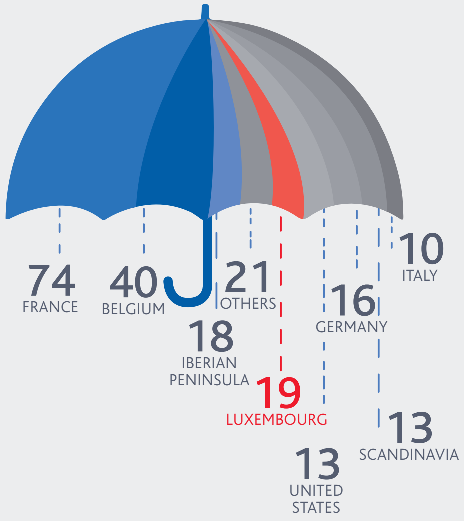



*Commissariat aux Assurances (2014/15)*

## CAPTIVE REINSURANCE

Number of captives licensed

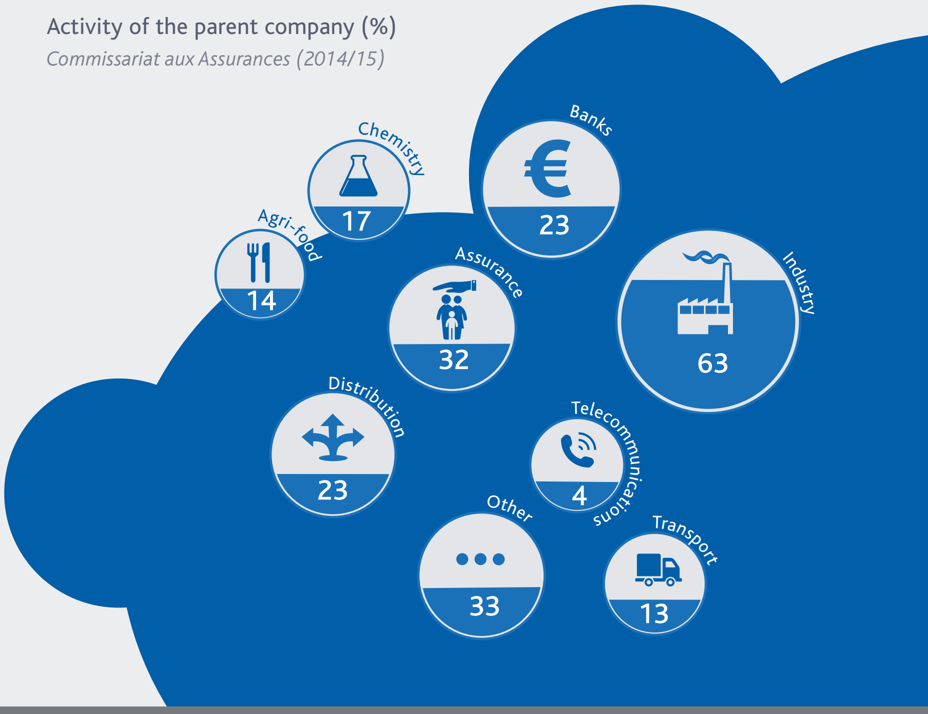
*Commissariat aux Assurances (2014/15)*




## CAPTIVE REINSURANCE

Activity of the parent company (%)

*Commissariat aux Assurances (2014/15)*



# RANKINGS
# LUXEMBOURG IN 2015

| | |
|---|---|
| 4th | Luxembourg is the 4th **most liveable location worldwide** out of 450 cities for European expats according to the latest **Location Ratings** for expatriate living conditions published by ECA International. |
| 7th | Luxembourg is ranked **7th country in Europe and 9th worldwide when it comes to leveraging information and communication technologies (ICTs)** for social and economic impact and number one for international bandwidth and knowledge-intensive jobs, according to the latest **Global Information Technology Report** published by the World Economic Forum. |
| most competitive country | Luxembourg is ranked as the **most competitive country in the EU**, according to the latest **IMD World Competitiveness Yearbook**, which rates the ease of conducting business in various countries worldwide. |
| 3rd | According to the newly released **Global Financial Centres Index** (GFCI 18), Luxembourg is the **third most competitive financial centre in the EU**. Like in previous years, Luxembourg is also perceived as the only European financial centre likely to become more significant in the future. |
| 1st | According to the World Economic Forum **Human Capital Report** 2015, Luxembourg ranks **first in the sub-category of 'Top 10 countries with the largest share of people in high-skilled employment'** within the group of the 25 to 54 year olds, comprising professions such as managers, professionals and technicians. |
| 1st | According to the IMD **World Talent Report**, Luxembourg is the **leading country in the EU and third worldwide for developing, attracting and retaining talent** to satisfy corporate needs. |

# FINTECH ACTIVITIES

FinTech, the intersection of financial services and technology, has seen an impressive evolution over the course of the last few years with the acceleration of technologies that can be leveraged to enhance the delivery of financial services to customers, increase operational efficiency and thus reduce costs. Many financial centers or even non-financial centers are embracing it and positioning themselves in this fast-evolving industry.

Luxembourg has a number of key advantages as a FinTech hub. This includes access to a leading international financial industry with a strong expertise in cross-border products and services, a state-of-the-art ICT infrastructure, a broad range of private and public R&D and start-up support initiatives as well as a regulator that is open to innovation.

At the end of 2014, the Minister of Finance mandated LFF with facilitating a working group of representatives of both the financial and the technology sector, under the auspices of the Haut Comité de la Place Financière.

The aim of the working group was to formulate recommendations to the government on the further development of the FinTech sector in Luxembourg as well as on the future needs of the financial industry as a whole in terms of technological innovation. The working group tackled this remit by addressing not the positioning of individual players or specific solutions they could adopt but rather the question how Luxembourg as a financial centre should collectively look at these developments.

Meetings took place from December 2014 until April 2015.

The following topics were discussed:

- Connecting Fin and Tech
- Areas to be developed
- Stimulating innovation
- Talents and research
- Regulation
- Promotion

To gain a better understanding of the present state of the FinTech industry in Luxembourg, a mapping report was produced, describing the elements that are of relevance to support the recommendations to the Minister of Finance. One of the key recommendations was the creation of a common platform for FinTech players in Luxembourg to meet and network, the so-called 'House of FinTech'. The project is currently under development and is expected to be finalised by summer 2016.

In order to help further develop and position Luxembourg as a FinTech hub, LFF created a dedicated FinTech department with a staff of two. Their mission is to expand and implement the FinTech strategy and act as a knowledge centre within LFF for the entire team and LFF stakeholders. The two advisors follow, analyse and report on global trends in the increasing digitalisation of financial services and liaise with the financial services ecosystem, public actors as well as FinTech companies, both at domestic level and abroad.




Since late 2014, FinTech has been included in a number of LFF events as well as the overall communication of LFF. This included the commission of a high production value film on Luxembourg's FinTech environment. To spread the word more actively, LFF also participated in several events on the topic. A strategic partnership was concluded with SWIFT's Innotribe. As part of this partnership, LFF represented Luxembourg at international FinTech events in New York, London and Singapore (Sibos). Further engagements included a dedicated FinTech section at ICT Spring and a speech at the Luxembourg Wealth Management Summit. Furthermore, LFF organised the FinTech stream of the Luxembourg Internet Days.

# MARKET INTELLIGENCE ACTIVITIES

## THE MARKET INTELLIGENCE DEPARTMENT IN 2015 PRODUCED

7 full country reports

128 company reports

15 Sovereign Wealth Fund factsheets

The existing cooperation with colleagues at ALFI and ABBL was formalised by setting up the House of Finance MI working group with the aim to coordinate and improve the coordination of research, sharing of market intellgence and the preparation of missions.

## EUROPE

As in previous years, Europe remains amongst LFF's main target markets. Germany, France and Belgium have been the financial center's traditional client markets since its internationalisation in the 1960s. Thus regular visits to Luxembourg's neighboring countries, where its financial services are already well known, can focus on more specific topics, respectively on the collaboration and complementarity of European financial centres.

In Europe, LFF organised financial sector missions with the Minister of Finance and industry representatives in **Stockholm** and **Paris**. The seminar in Stockholm focused on investments funds and Private Equity, as well as wealth management, including life insurance. The seminar was also an occasion to share experiences in a area in which both Sweden and Luxembourg play a leading role: responsible finance.

Links between the two countries are indeed strong: Swedish banks have been established in Luxembourg since the 1970s and roughly 70% of foreign funds distributed in Sweden are domiciled in Luxembourg. Interest in Luxembourg life insurance products is also increasing since the latter can easily be sold locally without intermediary banks and are particularly attractive as a cross-border wealth planning tool.

**France** remains one of Luxembourg's primary markets, whether in the fund industry, insurance, capital markets or wealth management. The seminar in Paris was an occasion to highlight recent developments on the Luxembourg financial centre and provide an overview of the broad range of complementary products and solutions that Luxembourg can offer the local financial industry, ranging from investment funds and private equity vehicles to life insurance products.

## MIDDLE EAST

The **Gulf region** has been a regular destination of LFF's missions since the establishment of the agency in 2008. Luxembourg funds are widely sold in the UAE and two Luxembourg banks have a local presence. A mission with HRH Crown Prince Guillaume of Luxembourg and Minister of Finance Pierre Gramegna in March brought the delegation to **Dubai** and **Doha**.

Experts from the financial centre presented the broad spectrum of financial services that Luxembourg has to offer, including in the area of Islamic Finance. For the first time, LFF also held a dedicated panel on FinTech, including Luxembourg as an ideal location to establish disaster recovery centres.

Luxembourg is particularly well placed to offer investors from the Middle East a platform for international diversification. Specialised in exporting financial services and products across the globe, the Grand Duchy has been catering to the needs of internationally mobile clients and investors who wish to access and operate in different markets.

Luxembourg's presence in the Middle East in 2015 was completed by LFF's yearly presence at the World Islamic Banking Conference (WIBC) in **Bahrain**, the world's most relevant Islamic Finance event, later that year in December.

In October 2014, the **UAE** and Luxembourg signed an MoU on Islamic Banking and Finance. The first official meeting of the ensuing Council of Cooperation between the two countries tok place in Dubai on the margins of the mission to the Gulf.

Islamic finance is growing fast in the UAE. Today, the UAE is the fourth largest Islamic finance centre in the world behind Iran, Saudi Arabia and Malaysia.

The World Islamic Banking Competitiveness Report 2013 lists the Emirates as part of its "QISMUT" group of Rapid Growth Markets. Qatar, Indonesia, Saudi Arabia, Malaysia, UAE and Turkey together account for 78% of Islamic banking assets.

Luxembourg, on the other hand is the 3rd largest domicile of Islamic funds in the world. Several UAE players have Islamic fund ranges in Luxembourg and offer them through their wealth management arm in the Emirates.

However, the development of the fund industry in the UAE is recent and its regulatory framework is still being enhanced gradually by the financial regulator. Currently, around 60% of foreign funds authorised for distribution in the UAE are Luxembourg UCITS funds.

Asset managers from the Middle East now start to launch funds in Luxembourg (conventional and shariah compliant). There are three main drivers behind this interest in Luxembourg: Luxembourg's international reach, its track record in investor protection and Luxembourg's growing recognition in the Islamic Finance world.

## ASIA

Financial ties between **China** and Luxembourg have been significantly strenghtened over the last years by the setting up of Luxembourg as a renminbi hub, the designation of ICBC as a clearing bank for renminbi activities and the granting of an RQFII quota to Luxembourg in April 2015 – Luxembourg is today a key hub for the internationalisation of the Chinese currency and an entry gate for Chinese investors into the European market.

RMB business in Luxebourg is driven by three factors: the strong presence of Chinese banks, Luxembourg's expertise in RMB-denominated funds and the listings of Dim Sum bonds.

In 2015, three additional Chinese banks joined the Luxembourg banking community, Bank of Communications, China Merchants Bank and Agricultural Bank of China. Together with China Construction Bank (established in Luxembourg in 2013), ICBC (1999) and Bank of China (1979), the six largest Chinese banks now have their continental hub in Luxembourg. In 2014, Bank of China announced to pool their European asset management activities in

Luxembourg, and to turn the Luxembourg branch into one of three custody hubs alongside New York and Singapore.

In terms of Dim Sum bond listings, Luxembourg ranks 4th worldwide behind its Asian peers and is first outside Asia with a market share of over 40%. Moreover, no other European country can boast such a high number of RMB-denominated investment funds. The same holds true for RQFII funds.

LFF's 2015 China mission, with the participation of more than 80 professionals from the Luxembourg financial centre, stopped in **Beijing**, **Shanghai** and for the first time in **Shenzhen**, a rising financial centre, to discuss solutions for Chinese investors and asset managers and Luxembourg's role in the internationalisation of the RMB, notably as China's natural gateway to Europe.

As regards further RMB events, the 2nd **Luxembourg Renminbi Forum** in June gathered again numerous international and local practitioners. Next to discussions around financial reform in China, the role of international renminbi hubs and RMB clearing activities, the event focused on the development of RMB financial products, with a particular emphasis on RMB investment funds. On the occasion of a conference organised by the prestigious **London Chatham House** in October, LFF was invited to contribute to the discussion 'The development of the renminbi offshore market: weaving a web from many strands'.

**Japan** has one of the world's largest and most sophisticated financial sectors. Five Japanese banks operate in Luxembourg, roughly 60% of foreign investment funds distributed in Japan are domiciled in Luxembourg and 7 out of top 10 largest Japanese Asset Managers have a presence in the Grand Duchy. Thus, a seminar in Tokyo was held jointly with the investment fund association ALFI in January, followed by a second, FinTech specific seminar LFF organised with the Luxembourg Trade and Investment Office in Tokyo in July.

A particularly positive trend can be seen in the payment & ICT industries: the Japanese e-commerce and online financial services giant Rakuten recently established its headquarter offices in Luxembourg in the context of their European strategy. The company uses Luxembourg as their European hub for payment services and recently received a banking license to further expand its service offer out of Luxembourg.

Presenting Luxembourg's FinTech ecosystem in Japan and **Seoul** resulted in wide press coverage and several follow-up meetings with Japanese, as well as Korean start-ups and financial sector delegations in Luxembourg.

South Korea has a highly developed IT infrastructure and has the world's highest share of broadband users. The Korean regulator only recently eased regulation to encourage the growth of FinTech companies with the aim to permitting non-financial firms a greater stake in the financial industry.

## CANADA

Canada is a newcomer on the map of LFF's destinations. The country has a diverse economy and highly developed banking and finance industry. Of the two Canadian banks established in Luxembourg, RBC is the 6th largest employer in the financial sector. Canada has recently opened its market more for foreign funds, notably streamlining its registration process for UCITS funds, which implies significant future opportunities for Luxembourg.

In late 2014, Canada was designated the Renminbi hub for the Americas, with **Toronto** as the finance centre and **Vancouver** as the trade centre.

In 2015, an MoU between LFF and Toronto Financial Services Alliance (TFSA) was signed with, amongst others, the aim to further mutually develop the internationalisation of the RMB, in view of the complementarity of the two financial centres, as well as FinTech activities. Both topics were discussed during seminars held in Toronto and **Montreal** in April.

# EVENT WORLDMAP

- Financial mission organised by LFF
- LFF Event
- Official visit
- Third-party conference
- Fair
- Business development visit
- Media partnership event

12-13 JANUARY | **BUSINESS DEVELOPMENT VISIT TO SEOUL**
BUSINESS MEETINGS, FINTECH SEMINAR

15 JANUARY | **LUXEMBOURG: THE GLOBAL FUND CENTRE – IN COOPERATION WITH ALFI – TOKYO**
FINANCIAL CENTRE OVERVIEW/LUXEMBOURG AS A BANKING HUB/CAPITAL MARKETS/ INVESTMENT FUNDS – SEMINAR

19-20 JANUARY | **8TH ASIAN FINANCIAL FORUM – HONG KONG**
FINANCIAL SERVICES – BOOTH

12 FEBRUARY | **LUXEMBOURG FOR HEC DAY 2.0 – PARIS**
CAREER OPPORTUNITIES IN LUXEMBOURG – BOOTH

1-2 MARCH | **GLOBAL FINANCIAL MARKETS FORUM – ABU DHABI**
FINANCIAL MARKETS – SPEAKING SLOT/BOOTH

3-5 MARCH | **FINANCIAL MISSION TO DUBAI (UAE) AND DOHA**
CROSS-BORDER EXPERTISE/FINTECH

23 MARCH | **CONFERENCE WITH THE LORD MAYOR OF THE CITY OF LONDON – LUXEMBOURG**
FINANCIAL SERVICES

13-16 APRIL | **FINANCIAL MISSION TO CANADA – TORONTO & MONTREAL**
FINANCIAL CENTRE INTRODUCTION/INVESTMENT FUNDS/ FINTECH

21-22 APRIL | **INNOTRIBE LONDON**
FINTECH – SPEAKING SLOT

22-24 APRIL | **13TH INTERNATIONAL CIFA FORUM – MONACO**
INSURANCE – WORKSHOP

4 MAY | **FINANCIAL MISSION TO STOCKHOLM**
RESPONSIBLE FINANCE, INVESTMENT FUNDS, PE & VC, WEALTH MANAGEMENT, INSURANCE – SEMINAR

12 MAY | **FAMILY OFFICE SYMPOSIUM – IN PARTNERSHIP WITH BLOOMBERG – LUXEMBOURG**
WEALTH MANAGEMENT – CONFERENCE

14 MAY | **THE BRAZIL PRIVATE WEALTH FORUM 2015 – SÃO PAULO**
WEALTH MANAGEMENT – PANEL DISCUSSION

19-20 MAY | **ICT SPRING EUROPE – LUXEMBOURG**
ICT/FINTECH – LFF BOOTH/SPEAKING SLOT

21-22 MAY | **ASTANA ECONOMIC FORUM 2015**
SPEAKING SLOT – BUSINESS MEETINGS

27 MAY | **INTERNATIONAL INSURANCE CONFERENCE – LUXEMBOURG**
INSURANCE – BOOTH

3 JUNE | **LUXEMBOURG RENMINBI FORUM 2015 – LUXEMBOURG**
RENMINBI INTERNATIONALISATION – CONFERENCE

4 JUNE | **SEMINAR ON TORONTO – LUXEMBOURG**
CANADA AND LUXEMBOURG FINANCIAL CENTRES

10 JUNE | **IFN EUROPE – LUXEMBOURG**
ISLAMIC FINANCE – BOOTH

15-16 JUNE | **INTERNATIONAL RISK MANAGEMENT CONFERENCE – LUXEMBOURG**
RISK MANAGEMENT – SPEAKING SLOT

16 JUNE | **THE MEXICO PRIVATE WEALTH FORUM 2015 – MEXICO CITY**
WEALTH MANAGEMENT – PANEL DISCUSSION




17-18 JUNE
**INNOTRIBE NEW YORK**
FINTECH – SPEAKING SLOT

17 JULY
**FINTECH SEMINAR IN TOKYO IN PARTNERSHIP WITH LTIO TOKYO**
FINTECH – SEMINAR

8 SEPTEMBER
**ISTANBUL FINANCE SUMMIT**
FINANCIAL MARKETS – SPEAKING SLOT

9-11 SEPTEMBER
**THE EUROFI FINANCIAL FORUM 2015 – LUXEMBOURG**
FINANCIAL SERVICES/REGULATION – LFF BOOTH

21-24 SEPTEMBER
**FINANCIAL MISSION TO CHINA – BEIJING, SHANGHAI, SHENZHEN**
FINANCIAL CENTRE INTRODUCTION/INVESTOR SOLUTIONS/ INVESTMENT FUNDS / RENMINBI INTERNATIONALISATION

10 OCTOBER
**FINANZPLÄTZE LUXEMBURG UND FRANKFURT: VERANTWORTUNG ZUKUNFT – IN PARTNER-SHIP WITH BÖRSEN-ZEITUNG – FRANKFURT**
EUROPEAN FINANCIAL CENTRES – CONFERENCE

12-15 OCTOBER
**SIBOS SINGAPORE**
FINTECH – SPEAKING SLOT

20 OCTOBER
**FINANCIAL MISSION TO PARIS**
FINANCIAL CENTRE OVERVIEW / INVESTMENT FUNDS/WEALTH MANAGEMENT/INSURANCE – CONFERENCE

10 NOVEMBRE
**ACA INSURANCE DAY – LUXEMBOURG**
INSURANCE – SPEAKING SLOT

24 NOVEMBRE
**ISLAMIC FINANCE WORKSHOP – LUXEMBOURG**
ISLAMIC FINANCE – WORKSHOP

1-3 DECEMBRE
**WORLD ISLAMIC BANKING CONFERENCE – MANAMA**
ISLAMIC FINANCE – LFF BOOTH

7-8 DECEMBER
**LUXEMBOURG INTERNET DAYS – LUXEMBOURG**
FINTECH – CONFERENCE

# PHOTO GALLERY




*Mission to Dubai*
HRH Hereditary Grand Duke Guillaume of Luxembourg



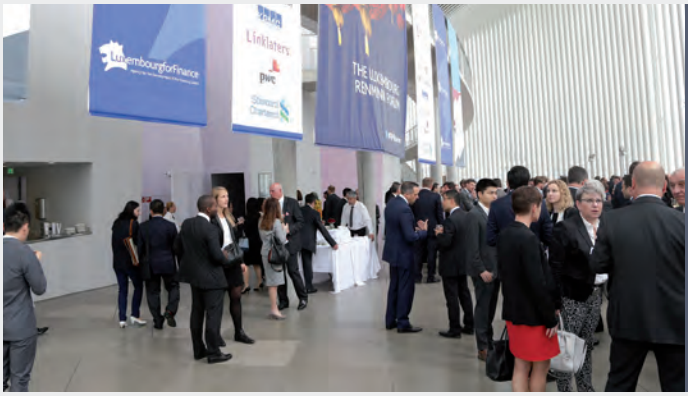
*Mission to Asia*
Minister of Finance Pierre Gramegna interviewed by Bloomberg at the Asian Financial Forum




*Mission to China*
Nicolas Mackel,
CEO, Luxembourg for Finance

*Impressions from the Luxembourg Renminbi Forum*







## EVENT STATISTICS

| Mission | Local participants | Luxembourg delegation |
|---|---|---|
| **Middle East mission** | 310 | 87 |
| Dubai | 224 | |
| Doha | 86 | |
| **Canada mission** | 117 | 45 |
| Toronto | 66 | |
| Montréal | 51 | |
| **Stockholm mission** | 75 | 58 |
| **Frankfurt – Börsen-Zeitung roundtable** | 82 | 34 |
| **China mission** | 399 | 81 |
| Beijing | 138 | |
| Shanghai | 185 | |
| Shenzhen | 76 | |
| **Paris mission** | 164 | 136 |




*New LFF booth*
*at ICTSpring Europe 2015*



*Seminar in Paris*
Marc Hengen, Managing Director, ACA



*Mission to China*
Camille Thommes, Director General, Alfi



*Mission to Canada*
Yves Maas, Chairman, ABBL

# COMMUNICATION ACTIVITIES

The year 2015 was marked by the launch of two main projects, LUXFIN2020 and SurprisingLux, two key communication initiatives articulating the Luxembourg financial centre's vision and ambitions and explaining the strengths of Luxembourg's economy. An over-arching social media campaign was developed and targeted at international investors, opinion leaders, professionals and the general public.

## LUXFIN2020

The report LUXFIN2020 details how Luxembourg has grown into one of Europe's leading financial centres over the past three decades and how it plans to build on its existing strengths, while identifying opportunities in other, newer sectors of the financial services arena.

LUXFIN2020 was compiled in close collaboration with the industry. Starting with a history of Luxembourg's economy, the report highlights the role of the financial services industry in Europe and its contribution to the real economy, while focusing in particular on the digitalisation of financial services.




The 5-year vision developed in the report is built around three principal objectives, accompanied by improvements in hard and soft infrastructure and supplemented by growth drivers for each underlying sector of the financial centre:

**TO DEVELOP FURTHER AS A CENTRE OF EXCELLENCE IN CROSS-BORDER FINANCE**
Consolidate and develop Luxembourg's expertise in cross-border financial services: Luxembourg's financial centre is international by nature and one of its key priorities is to build on this inherent quality to continue to foster growth in the coming years.

**TO BE THE EU ONSHORE FINANCIAL HUB OF REFERENCE**
Expand Luxembourg's role as the European location of choice for global financial services providers: The Luxembourg financial centre will develop its attractiveness as the EU onshore location of choice for investors and international financial institutions to operate and grow their businesses.

**TO BECOME A DIGITAL LEADER IN EUROPE**
Foster innovation and become a leader in digital financial services: The Luxembourg financial centre will seize opportunities emerging from financial innovation and will unlock the potential of these opportunities to broaden its financial services ecosystem.

The LUXFIN2020 report is available in English.










## SURPRISINGLUX

On 30 October, Luxembourg for Finance and Luxembourg for Business launched a joint communications campaign "SurprisingLux: Look closer for opportunities beyond borders."

SurprisingLux tells the story behind Luxembourg's economy using facts, figures and anecdotes to showcase its strength and diversity. It brings attention to the variety of state-of-the art products manufactured in Luxembourg, the innovative solutions being developed, the research that is done, and the unparalleled quality of its cross-border services.

More than 50 people from the finance and economic sectors contributed to the project. All chapters were developed in collaboration with LFF, LFB, Luxinnovation, representatives of each underlying sector as well as associations and company representatives.

The new publication is supported by a microsite (www.surprisinglux.com). Social media added a new dimension to SurprisingLux with animations and visuals visible on a series of Luxembourg's social media channels. New contributions will be unveiled gradually on the surprisinglux.com digital platform and via social media.

The brochure is available in English, French, German and Chinese.

9,500 printed copies were distributed at international roadshows organised by the financial associations, law – and consultancy firms, Luxembourg EU Presidency initiatives such as EU ASEM, and sent to representatives of the business clusters and finance sector, participating SME's and multinationals, economic advisors, Embassies and Consulates, Honorary Consuls, LTIOs, government officials and journalists.

## SOCIAL MEDIA

2015 was marked by a peak in the level of engagement from the LFF social media community, due to the reinforcement of activities on Twitter, LinkedIn and Facebook through the creation of new impactful designs and recurring sections, which encourage the community to share interesting facts about the Luxembourg economy.

In the course of SurprisingLux, a digital campaign was launched on Twitter and LinkedIn in November 2015 that will be continued until end of February 2016. Key quotes and figures are being published on a daily basis to promote success stories and surprising facts to an international community of professionals as well as the wider public.

The #SurprisingLux campaign on Twitter had a positive feedback with a worldwide use of the official hashtag #SurprisingLux. Content related to SurprisingLux generated up to 8,300 impressions.

Follow us

## VIDEOS

The production of in-house videos was closely linked to the release of 2015's magazines, the RMB Forum, ICT Spring and the mission to China. Thus, a series of videos on FinTech, RMB and Luxembourg as a European hub was developed and spread via social media and the video blog that was launched end 2014.

In addition to in-house and third party videos, LFF developed three flagship videos with the help of external agencies:

***A little piece of Luxembourg everywhere:***

The animated video "A little piece of Luxembourg everywhere" is aimed at demonstrating that the country, in addition to being a leading financial centre, plays a prominent role in a wide range of industries.



*Click on the image to watch the video or scan the QR code*

The video is part of a series of four flagship videos, of which the remaining three will be published in the course of 2016. The aim of the series is to show Luxembourg's diversified economy and the role of financial services in the European Union. The other videos will focus on the Single Market and Luxembourg as an exporter of financial services, the diversification of the Luxembourg financial centre, and the real economy.

***Central computer: Find me the best FinTech location:***

Featuring leading industry players, the video focuses on Luxembourg's value proposition as a FinTech hub and reveals why Luxembourg is the perfect location to grow and develop a FinTech business internationally.

***"Luxembourg: China's bridge to Europe"*** establishes Luxembourg as the ideal entry gate into the EU market for China's financial community and explores why Luxembourg has become a leading international Renminbi centre.

Furthermore, LFF developed a 'transparency timeline' animation demonstrating concrete steps which were taken over time by Luxembourg in the area of international transparency.

## PRESS RELATIONS

The media strategy launched in 2014 was successfully continued in 2015. Media meetings included press conferences, breakfast meetings, round tables and background briefings and were organised in context of the various missions and trips abroad. Press meetings took place in the UK, France, Belgium, Germany, Italy, Sweden, China, Korea, Canada, UAE and Qatar. Journalists were also received in Luxembourg.

These media activities resulted in coverage in newspapers, TV and radio channels, such as the Financial Times, Wall Street Journal, The Economist, Reuters, Handelsblatt, Le Figaro, Les Echos, Presse Canadienne, CNN, CNBC, De Tijd and Xinhua News Agency, only to name a few.

## MAGAZINES

2015's magazines focused on four different topics.

Luxembourg, your European platform lays out why international banking groups choose Luxembourg as their continental hub, its expertise in Islamic Finance and introduces Luxembourg's strong data centre environment with service providers that can act as a one-stop-shop for resilience- and managed services. The magazine further covers the country's role in corporate governance, and features the Lotus Formula 1 team, which is owned by Genii Capital, a Luxembourg PE firm.

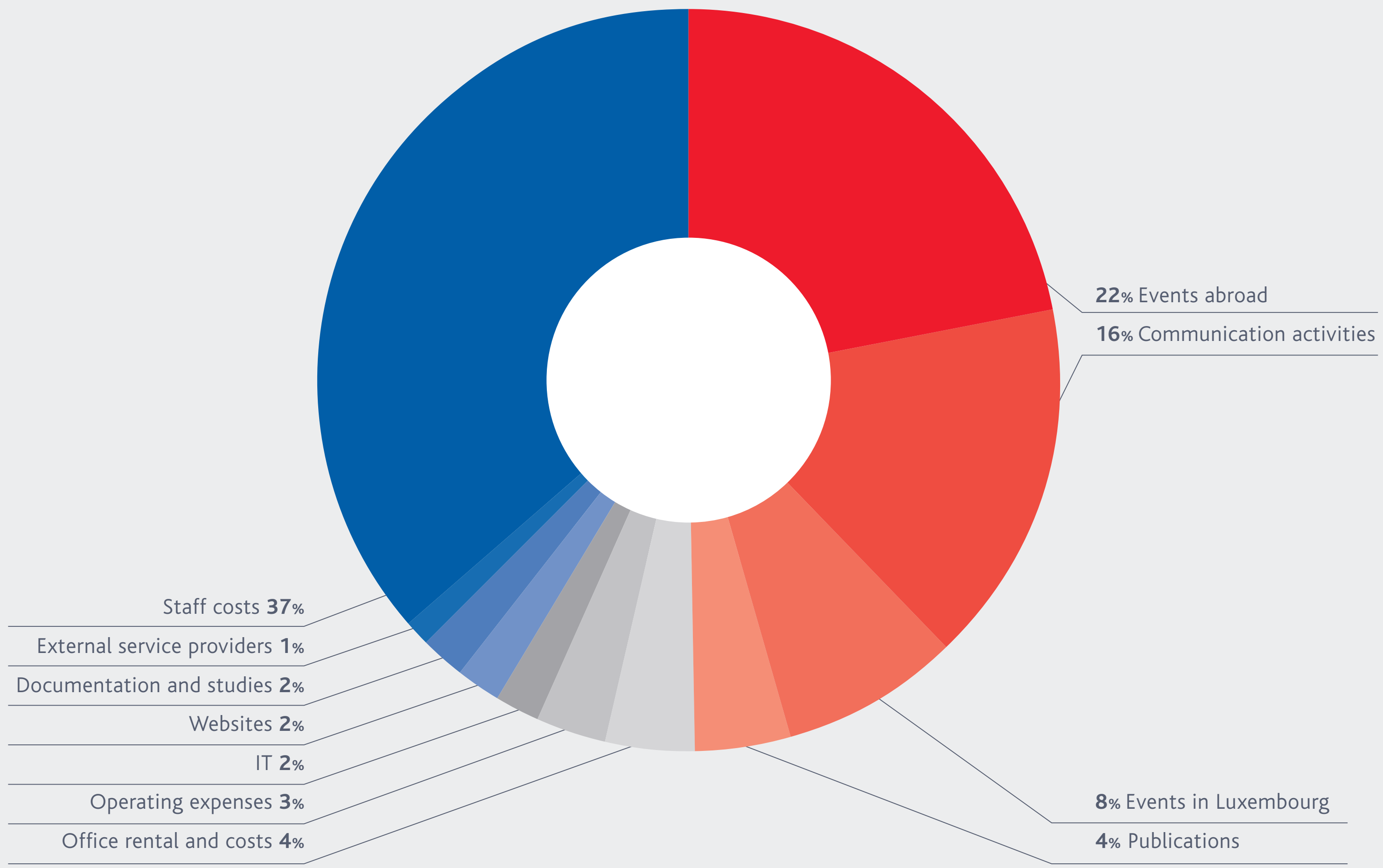
The FinTech magazine covers the local FinTech ecosystem from different perspectives. It points out concrete funding and growth opportunities for start-ups and sheds a light on companies that have already successfully been through the first stages. The outgoing Chairman of Luxembourg's Fund Industry Association elaborates on the future of the industry and – staying in the technical mood – two robots at the Luxembourg Modern Art Museum Mudam who will interact with visitors do round this issue off.

Cross-border expertise in Luxembourg focuses on Luxembourg's specific role as a cross-border financial center. The magazine kicks off with Luxembourg's ambitions during its EU Presidency and then zooms into the financial center's main business lines, the funds industry, wealth management services, insurance and the Stock Exchange. It finished with the introduction of the new conductor of the Philharmonie, Gustavo Gimeno.

The last issue of the year, Living and working in Luxembourg, illuminates quality of professional and personal life in Luxembourg, by giving the voice to several people from abroad working in the financial sector. It highlights important aspects for expats such that come along with relocating and tells the story of spouses who successfully made their way as entrepreneurs. The magazine also presents SurprsingLux and Luxfin2020, as well as the Nation Branding initiative.



# ANNUAL ACCOUNTS




## EXPENSES 2015

Total EUR 4 100,000

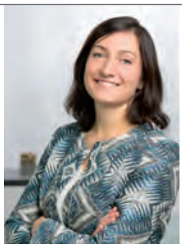
# STAFF

## MANAGEMENT

***Nicolas Mackel**, CEO*

***Tom Theobald**, Deputy CEO*





***Elisabeth Adams**, Executive Assistant to the CEO*

## MARKET INTELLIGENCE

***Sascha Bremer**, Market Intelligence Adviser*

***Eleanor de Rosmorduc**, Market Intelligence Senior Adviser*

***Fabio Regis**, Market Intelligence Adviser*





## EVENT MANAGEMENT

***Sophie Henry**, Event Manager*

***Caroline Hoeltgen**, Event Manager*

***Tatjana Schaefer**, Event Manager*





## COMMUNICATION

***Ophélie Binet**, Communications Manager*

***Gilly Mathieson**, Communications Manager*

***Lynn Robbroeckx**, Communications Manager*





## FINTECH

***Frederic Becker**, FinTech Development Adviser*

***Natalya Zotikova**, FinTech Development Adviser*




## ADMINISTRATION

***Giovanna Bassani**, Head of Administration*

***Nathalie Heini**, Database Administrator and Administrative Assistant*

***Viviane Thiefels**, Assistant to the Management*

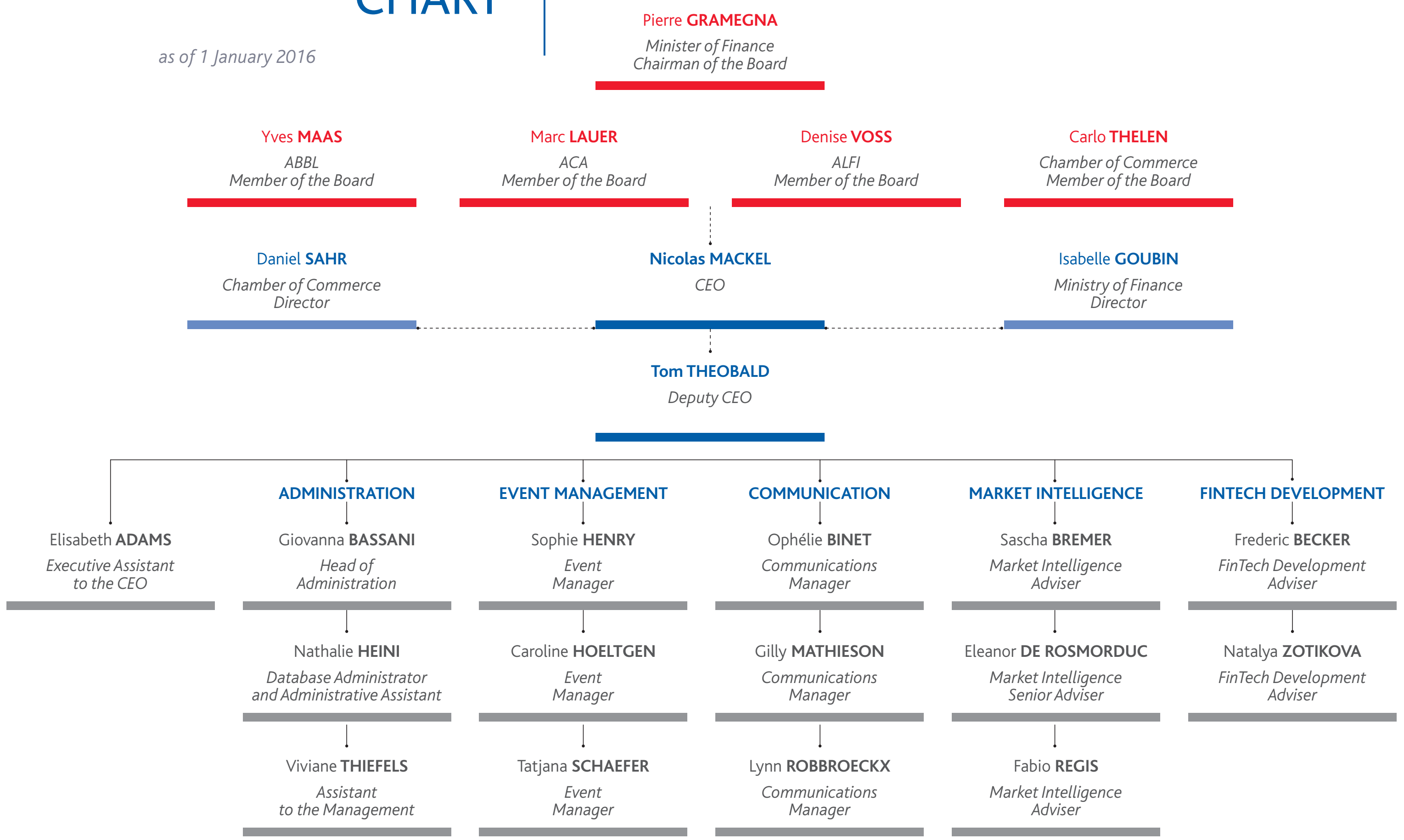


Luxembourg for Finance is a public-private partnership between the Luxembourg Government and the Luxembourg Financial Industry Federation (PROFIL), under the Presidency of the Minister of Finance Pierre Gramegna. The agency is jointly financed by these two bodies. PROFIL's members are:

- *Institute of Registered Auditors (IRE)*
- *Association of Chartered Accountants (OEC)*
- *Association of Professional Wealth Managers (ALPP)*
- *Association of Support PFS (APSFS)*
- *Association of the Luxembourg Fund Industry (ALFI)*
- *Six Payment Services*
- *Chamber of Commerce Luxembourg*
- *Clearstream International S.A.*
- *Luxembourg Association of Insurance and Reinsurance Companies (ACA)*
- *Luxembourg Bar*
- *Luxembourg International Management Services Association (LIMSA)*
- *Luxembourg Private Equity and Venture Capital Association (LPEA)*
- *Luxembourg Stock Exchange*
- *The Luxembourg Bankers' Association (ABBL)*

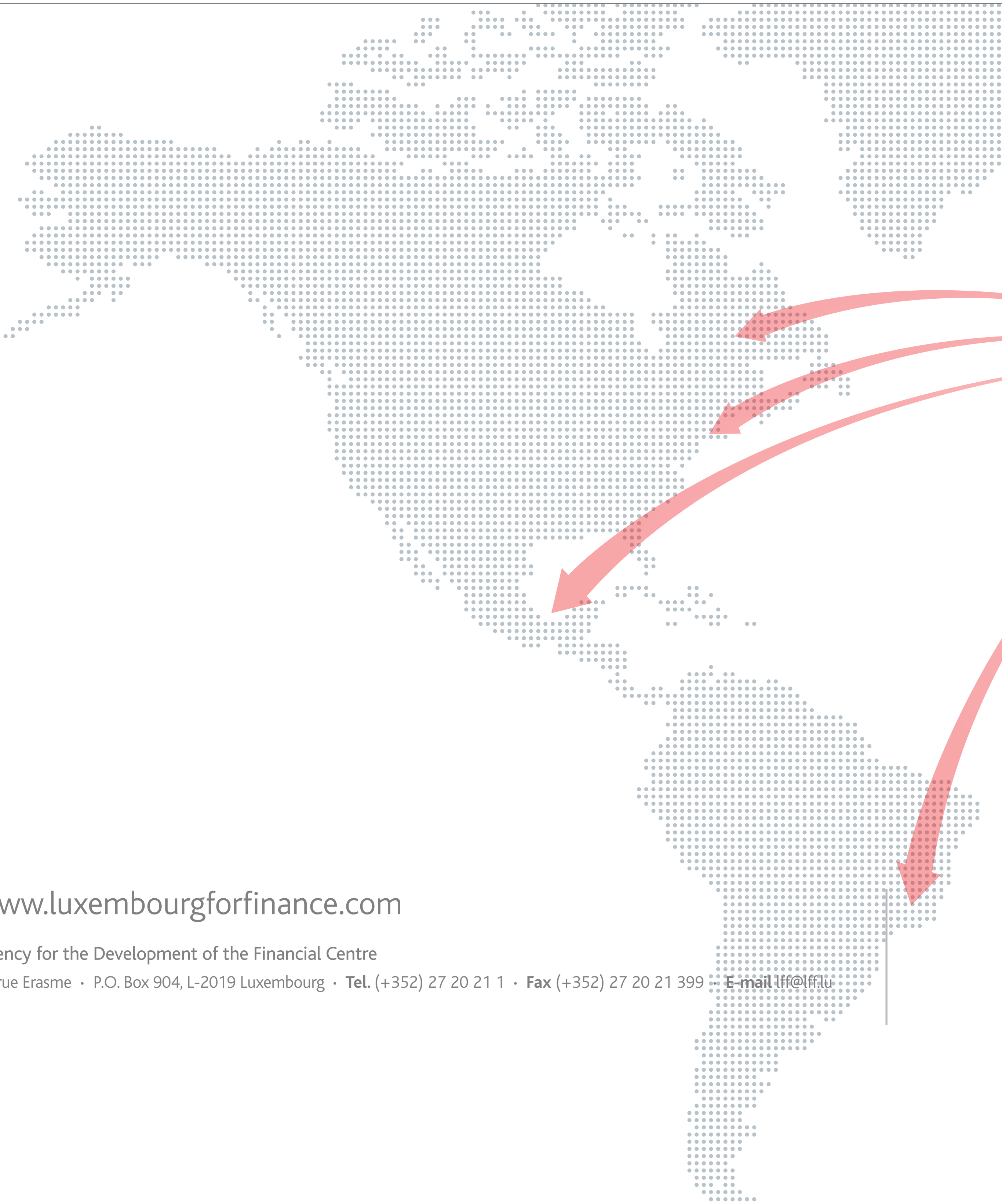
# ORGANISATION CHART

*as of 1 January 2016*



LuxembourgforFinance

Relying on Expertise, Building on Innovation



www.luxembourgforfinance.com


Agency for the Development of the Financial Centre

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